



Agenda Date: 10/22/04

Agenda Item: 3A

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

CABLE TELEVISION

ORDER ADOPTING INITIAL DECISION

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100850
CABLEVISION OF MONMOUTH, INC. – FREEHOLD	)	OAL DOCKET NO. CTV-08868-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100851
CABLEVISION OF MONMOUTH, INC. – JACKSON	)	OAL DOCKET NO. CTV-08867-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100852
CABLEVISION OF MONMOUTH, INC. – LAKEWOOD	)	OAL DOCKET NO. CTV-08866-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100853
CABLEVISION OF MONMOUTH, INC. – MILLSTONE	)	OAL DOCKET NO. CTV-08865-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100854
CABLEVISION OF MONMOUTH, INC. – SEASIDE	)	OAL DOCKET NO. CTV-08864-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100855
CABLEVISION OF MONMOUTH, INC. – WALL	)	OAL DOCKET NO. CTV-08863-03
RATE CHANGE UNDER FCC FORM 1240 TO SET)	
ITS MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100862
CABLEVISION OF ROCKLAND/RAMAPO, LLC -	)	OAL DOCKET NO. CTV-08862-03
MONTVALE RATE CHANGE UNDER FCC FORM)	
1240 TO SET ITS MAXIMUM PERMITTED RATE)	
FOR REGULATED CABLE SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100859
CABLEVISION OF OAKLAND, LLC RATE CHANGE	)	OAL DOCKET NO. CTV-11445-03
UNDER FCC FORM 1240 TO SET ITS MAXIMUM)	
PERMITTED RATE FOR REGULATED CABLE)	
SERVICES)	

IN THE MATTER OF THE APPLICATION OF	)	BPU DOCKET NO. CR03100868
CABLEVISION SYSTEMS CORPORATION FOR	)	OAL DOCKET NO. CTV-08872-03
APPROVAL OF AN AGGREGATE FILING OF FCC)	
FORM 1205 TO UPDATE REGULATED EQUIPMENT)	
AND INSTALLATION CHARGES FOR ALL NEW)	
JERSEY SYSTEMS)	

(SERVICE LIST ATTACHED)

BY THE BOARD

On October 31, 2003, Cablevision Systems Corporation (Cablevision) filed eight (8) FCC Form 1240s and an aggregate Form 1205 with the Board of Public Utilities (Board) for the purpose of adjusting maximum permitted rates (MPRs) for basic service and regulated equipment and installation costs, respectively. The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates and associated equipment and installation charges. Cable operators who choose the Form 1240 methodology may adjust their rates for basic cable service once per year to reflect quantified changes in external costs, inflation and the number of regulated channels that are projected for the 12 months following the rate change. FCC Form 1205 is the form used by cable operators to update their regulated rates for equipment, such as converters and remotes, and customer installations.

On November 22, 2003, the above filings were transmitted to the Office of Administrative Law (OAL) for determination and initial disposition. On February 5, 2004, a pre-hearing conference was held and attended by Cablevision, the Division of Ratepayer Advocate (Ratepayer) and the Board's Staff (collectively, the Parties). The preliminary hearings for these filings were set for July 19, 20 and 21, 2004 with Administrative Law Judge (ALJ) Michael J. Mehr. Cablevision notified its customers of rate changes on various dates starting with 1240 notices on May 11, 2004 and then with 1205 notices on August 25, 26 and 29, 2004 by way of newspaper announcements informing them of their opportunity to submit written comments to ALJ Mehr no later than 30 days after the newspaper publication. As of this date, no comments have been received.

On July 13, 2004, after extensive discovery, the Parties began settlement negotiations and eventually reached preliminary settlement. Consequently, ALJ Mehr adjourned the scheduled hearings and invited the Parties to a formal settlement conference which was held on July 19, 2004, to place the preliminary settlement's Summary Points on the record. On October 6, 2004, after further settlement discussions, the Parties reached final agreement and executed a Stipulation of Settlement (Stipulation), memorializing the agreement.

On October 8, 2004, ALJ Mehr filed his Initial Decision with the Board, which recommended that the Stipulation be approved.¹ ALJ Mehr found that the Parties have voluntarily agreed to the settlement and that the settlement is consistent with the law and fully disposes of all issues in controversy. ALJ Mehr also found that the stipulated rates are just and reasonable and in compliance with N.J.S.A. 48:5A-11. The ALJ therefore concluded that the Stipulation met the requirements of N.J.A.C. 1:1-19.1.

The Board has reviewed the Stipulation and Initial Decision and HEREBY FINDS them to be reasonable, in the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement and Initial Decision (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board also HEREBY DIRECTS that Cablevision shall submit a certified refund liability statement to the Office of Cable Television (Office) verified by an Officer of the Corporation, qualified to verify, within fifteen (15) days of the date of this Order which shall at a minimum include, but not be limited to, the following items for all Cablevision systems: (a) the number of installations and equipment charges by type performed subsequent to the effective date of each system as noted in Schedule 3 of the Stipulation (Schedule 3); (b) the amount charged for such installations and equipment that exceeded the settlement rates specified in Schedule 3; (c) the number of subscribers of record as of the effective date of the implementation of the refund who had been charged an installation or equipment rate in excess of the settlement rates, as specified in Schedule 3, subsequent to the individual system's effective date; (d) a calculation of interest (compounded daily) using the applicable FCC published rate of interest from the date of the charge through the date of refund; (e) the total refund amount both pre and post interest; and (f) the per-subscriber refund amount if applicable.

The Board, also HEREBY ORDERS that Cablevision shall issue any refunds due its subscribers pursuant to the Stipulation within sixty (60) days of the date of this Order, or thirty (30) days after approval of its refund liability statement by the Office, whichever is later, and that Cablevision shall inform subscribers of the reason for the refunds. Said refunds shall be denominated "BPU Refund" on subscribers' bills.

Cablevision, within ten (10) days of the payment of the refunds to subscribers, is HEREBY ORDERED to notify the Board, in writing, of the date(s) said refunds were paid and the amounts refunded. The Board FURTHER ORDERS that Cablevision, within ten (10) days of effectuating the entire refund to its subscribers, certify in writing to the Office that the refunds have been completed and provide a final accounting by system of all such refunds by docket.

¹ The Initial Decision filed by ALJ Mehr identified twenty cases rather than the twenty-one covered by the Stipulation. Nevertheless, the Initial Decision adopting the Stipulation is clearly intended to cover all of the systems involved in the Stipulation such that the difference in numbers should be considered a typographical error.

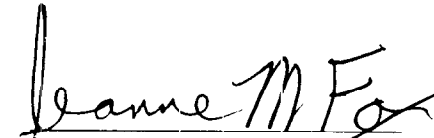
The Board FURTHER ORDERS that, subject to the ongoing review before the Federal Communications Commission, should these cable systems, or any part thereof, merge and/or migrate to another system, be upgraded and/or rebuilt, its ownership or control be otherwise sold or transferred to another entity, the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued-up" [47 C.F.R. § 76.922 (e) (3)]. The final true-up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240 and begin where the last true-up period ended on its prior FCC Form 1240. This true-up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC or other party of competent jurisdiction that these systems or any portion thereof, is subject to effective competition. Should that occur, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be trued-up for the period of time that the affected rates were subject to regulation by the Board.

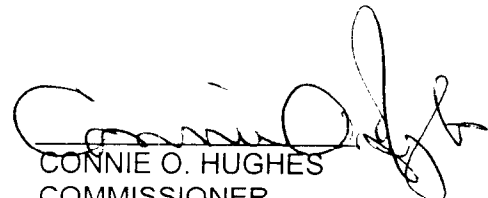
The above referenced true-up procedure does not exclude any cable system party to this order.

DATED: 10/22/04

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

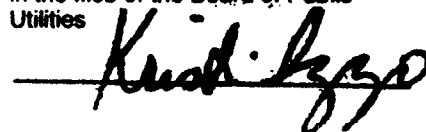

CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



**IN THE MATTER OF
THE APPLICATION OF CABLEVISION SYSTEMS CORPORATION (VARIOUS SYSTEMS)
FILING FCC FORMS 1205 & 1240 TO UPDATE THE BASIC CABLE TELEVISION RATE FOR
INFLATION CHANGES IN EXTERNAL COSTS AND CHANNEL ADDITIONS AND DELETIONS
AND UPDATE REGULATED EQUIPMENT AND INSTALLATION CHARGES**

**DOC. NOS, CR03100850, CR03100851, CR03100852, CR03100853, CR03100854,
CR03100855, CR03100859, CR03100862 and, CR03100868**

Sidney A. Sayovitz, Esq.
Schenck, Price, Smith, & King, LLP
10 Washington Street
P.O. Box 905
Morristown, New Jersey 07963-0905

Christopher J. Harvie, Esq.
Mintz, Levin, Cohn, Ferris, Glosky &
Popeo
701 Pennsylvania Avenue, N.W.
Washington, D.C. 2004

Celeste M. Fasone, Director
Charles A. Russell, Esq., Deputy
Director
Office of Cable Television
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Christopher J. White, Esq.
Jose Rivera-Benitez, Esq.
Assistant Deputy Ratepayer Advocate
Division of Ratepayer Advocate
31 Clinton Street
Newark, NJ 07102

Margaret Comes, Esq.
Babette Tenzer, Esq.
Kenneth J. Sheehan, Esq.
Deputy Attorneys General
State of New Jersey
Division of Law
124 Halsey Street
Newark, NJ 07102

Andrea C. Crane
The Columbia Group, Inc.
P.O. Box 810
Georgetown, Connecticut 06829

William H. Furlong, Chief
Steven Rastatter,
Telecommunications Sys. Analyst,
Bureau of Inspection & Enforcement
Office of Cable Television
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Lawanda Gilbert, Esq.
Legal Specialist
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Seema M. Singh, Esq.
Director and Ratepayer Advocate
Division of Ratepayer Advocate
31 Clinton Street
Newark, NJ 07102

Nueva D. Elma, Chief
Jeffrey Kaufman, Admin. Analyst 1
- Accounting,
Bureau of Accounts
Office of Cable Television
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Joseph Massa
Marti Green, Esq.
Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, New York 11714-3581



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW
33 Washington Street
Newark, New Jersey 07102
(973) 648-7248

NORTH

Date: OCT 8, 2004

Re: Initial Decisions for Receipt

Receipt of the following decisions from the Office of Administrative Law (as well as a copy of this form) is acknowledged as of the date indicated below:

OAL Docket No CTV

Case Name

CTV 7838-03	1/17/0 CABLEVISION
↓ 7849-03	
CTV 8862-03	
↓ 8868-03	
CTV 8872-03	

Office of Cable Television
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Date:

10/8/04


Office of Cable Television



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

RATE CHANGE FCC FORM 1235

**IN THE MATTER OF CABLEVISION
OF RARITAN**

OAL DKT. NO. CTV 07838-03
AGENCY DKT. NO. CR03080613

**IN THE MATTER OF CABLEVISION
OF MORRIS**

OAL DKT. NO. CTV 07839-03
AGENCY DKT. NO. CR03080612

**IN THE MATTER OF CABLEVISION
OF ELIZABETH**

OAL DKT. NO. CTV 07840-03
AGENCY DKT. NO. CR03080611

**IN THE MATTER OF CABLEVISION
OF HAMILTON**

OAL DKT. NO. CTV 07841-03
AGENCY DKT. NO. CR03080610

**IN THE MATTER OF CABLEVISION
OF ROCKLAND/RAMAPO MONTVALE**

OAL DKT. NO. CTV 07842-03
AGENCY DKT. NO. CR03080609

**IN THE MATTER OF CABLEVISION
OF ROCKLAND/ RAMAPO/MAHWAH**

OAL DKT. NO. CTV 07843-03
AGENCY DKT. NO. CR03080608

**IN THE MATTER OF CABLEVISION
OF PATERSON**

OAL DKT. NO. CTV 07844-03
AGENCY DKT. NO. CR03080607

**IN THE MATTER OF CABLEVISION
OF OAKLAND**

OAL DKT. NO. CTV 07845-03
AGENCY DKT. NO. CR03080606

**IN THE MATTER OF CABLEVISION
OF MONMOUTH (FREEHOLD, LAKEWOOD
JACKSON, MILLSTONE, SEASIDE, WALL)**

OAL DKT. NO. CTV 07846-03
AGENCY DKT. NO. CR03080605

**IN THE MATTER OF CABLEVISION
OF NEWARK**

OAL DKT. NO. CTV 07847-03
AGENCY DKT. NO. CR03080604

**IN THE MATTER OF CABLEVISION
OF WARWICK, INC., WEST MILFORD**

OAL DKT. NO. CTV 07848-03
AGENCY DKT. NO. CR03080602

**IN THE MATTER OF CABLEVISION
OF NEW JERSEY BAYONNE**

OAL DKT. NO. CTV 07849-03
AGENCY DKT. NO. CR03080603

Sydney A. Sayovitz, Esq., for Cablevision
(Schneck, Price, Smith & King, attorneys)

Jose Rivera Benitz, Esq. Assistant Ratepayer Advocate, for Division of
Ratepayer Advocate (Seema Singh, Ratepayer Advocate of New Jersey,
attorney)

Brian O. Lipman and Bhaveeta Kapoor, Deputy Attorney Generals, for Board
of Public Utilities (Peter C. Harvey, Attorney General of New Jersey, attorney)

RATE CHANGE FCC FORM 1240

**IN THE MATTER OF CABLEVISION
OF ROCKLAND/RAMAPO MONTVALE**

OAL DKT. NO. CTV 08862-03
AGENCY DKT.NO. CR03100862

**IN THE MATTER OF CABLEVISION
OF MONMOUTH WALL**

OAL DKT. NO. CTV 08863-03
AGENCY DKT.NO. CR03100855

**IN THE MATTER OF CABLEVISION
OF MONMOUTH SEASIDE**

OAL DKT. NO. CTV 08864-03
AGENCY DKT.NO. CR03100854

**IN THE MATTER OF CABLEVISION
OF MONMOUTH MILLSTONE**

OAL DKT. NO. CTV 08865-03
AGENCY DKT.NO. CR03100853

**IN THE MATTER OF CABLEVISION
OF MONMOUTH (LAKEWOOD)**

OAL DKT. NO. CTV 08866-03
AGENCY DKT.NO. CR03100852

**IN THE MATTER OF CABLEVISION
OF MONMOUTH JACKSON**

OAL DKT. NO. CTV 08867-03
AGENCY DKT.NO. CR03100851

**IN THE MATTER OF CABLEVISION
OF MONMOUTH FREEHOLD**

OAL DKT. NO. CTV 08868-03
AGENCY DKT.NO. CR03100850

RATE CHANGE - FCC FORM 1205

**IN THE MATTER OF CABLEVISION
SYSTEMS CORPORATION AGGREGATE
-ALL SYSTEMS**

OAL DKT. NO. CTV 08872-03
AGENCY DKT.NO. CR03100868

Sydney A. Sayovitz, Esq., for Cablevision
(Schneck, Price, Smith & King, attorneys)

James J. Valentino, Esq.
(Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C., attorneys)

Joseph Massa, for Cablevision

Jose Rivera Benitz, Esq. Assistant Ratepayer Advocate, for Division of
Ratepayer Advocate (Seema Singh, Ratepayer Advocate of New Jersey,
attorney)

Steven Rastatter, Telecommunications Systems Analyst, **Jeffrey Kaufman**,
Administrative Analyst 1 – Accounting and **Nueva D. Elma**, Chief Bureau of
Accounts, for Office of Cable Television, Board of Public Utilities

Margaret Comes, Deputy Attorney General, for Board of Public Utilities
(Peter C. Harvey, Attorney General of New Jersey, attorney)

Record Closed: October 8, 2004

Decided: October 8, 2004

BEFORE: **MICHAEL J. MEHR, ALJ**:

This is a "global" settlement of some twenty Cablevision cases relating to cost recovery under FFC Form 1240, 1235 and 1205 procedures.

With regard to the 1235s, Cablevision sought Maximum Permitted Rates ("MPR") ranging from \$0.82 in the Bayonne system to \$5.63 in the Warwick system. The settlement resulted in a MPR that would not exceed 60% of the originally proposed MPR. Exceptions were made for the Hamilton and Ramapo systems, which were capped at \$1.99, a number slightly lower than 60%. An exception was also made for the Montvale system, which was permitted to have a higher 1240 MPR in exchange for a zero MPR on its 1235 rate. Montvale will be permitted to maintain its current 1235 rate for 2004, and the rate will be set at zero for years 2 to 12 of the agreement. The difference in the

proposed 1235 MPRs and the settlement 1235 MPRs will result in approximately a \$130,000,000.00 savings for the ratepayer over the next eleven years.

With regard to the 1240s, in exchange for the reductions agreed to with in the 1235 MPRs, staff agreed to Cablevision's 1240 MPRs, with the exception of the aforementioned Montvalle system.

With regard to the 1205s, the parties agreed to a reduction in the 1205 rates in five Installation categories. This settlement will result in a refund of approximately \$227,428.00 to Cablevision customers previously charged the higher rate.

Based on record I **FIND**:

1. The parties have voluntarily agreed to the Stipulation as evidenced by their signatures thereon;
2. The Stipulation attached hereto and incorporated herein, fully disposes of all issues and controversies and is consistent with the law.
3. The Stipulation is in the public's interest.

I therefore **CONCLUDE** that the stipulation complies with *N.J.A.C. 1:1-19.1* and recommend to the Board that it should be approved.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

8 OCT 2004
DATE

M J Mehr
MICHAEL J. MEHR, ALJ/ta

Receipt Acknowledged:

10/8/04
DATE

Edmund V. Berlin
BOARD OF PUBLIC UTILITIES

Mailed to Parties:

DATE
da

OFFICE OF ADMINISTRATIVE LAW

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

In the Matter of Various Petitions Filed by:	OAL Docket Nos.	BPU Docket Nos.
CSC TKR, Inc. d/b/a Cablevision of Raritan Valley	CTV 07838-03	CR03080611
CSC TKR, Inc. d/b/a Cablevision of Morris	CTV 07839-03	CR03080612
CSC TKR, Inc. d/b/a Cablevision of Elizabeth	CTV 07840-03	CR03080613
CSC TKR, Inc. d/b/a Cablevision of Hamilton	CTV 07841-03	CR03080610
Cablevision of Rockland/Ramapo, LLC (Montvale)	CTV 07842-03	CR03080609
Cablevision of Rockland/Ramapo, LLC (Mahwah)	CTV 07843-03	CR03080608
Cablevision of Paterson, LLC	CTV 07844-03	CR03080607
Cablevision of Oakland, LLC	CTV 07845-03	CR03080606
Cablevision of Monmouth, Inc.	CTV 07846-03	CR03080605
Cablevision of Newark	CTV 07847-03	CR03080604
Cablevision of Warwick, LLC (West Milford)	CTV 07848-03	CR03080602
Cablevision of New Jersey, Inc. (Bayonne)	CTV 07849-03	CR03080603
For Approval of Rate Allowance Pursuant to FCC Form 1235 Filings		
<hr/>		
In the Matter of Various Petitions Filed by:	OAL Docket Nos.	BPU Docket Nos.
Cablevision of Monmouth, Inc. (Freehold)	CTV 08868-03	CR03100850
Cablevision of Monmouth, Inc. (Jackson)	CTV 08867-03	CR03100851
Cablevision of Monmouth, Inc. (Lakewood)	CTV 08866-03	CR03100852
Cablevision of Monmouth, Inc. (Millstone)	CTV 08865-03	CR03100853
Cablevision of Monmouth, Inc. (Seaside)	CTV 08864-03	CR03100854
Cablevision of Monmouth, Inc. (Wall)	CTV 08863-03	CR03100855
Cablevision of Rockland/Ramapo, LLC (Montvale)	CTV 08862-03	CR03100862
Cablevision of Oakland, LLC	CTV 11445-03	CR03100859
For Approval of Rate Allowance Pursuant to FCC Form 1240 Filings		
<hr/>		
In the Matter of Cablevision Systems Corporation (all New Jersey Systems)	OAL Docket No.	BPU Docket No.
	CTV 08872-03	CR03100868
For Approval of Rate Allowance Pursuant to Aggregate FCC Form 1205 Filing		

Appearances:

Peter C. Harvey, Attorney General of New Jersey, Brian Lipman, Bhaveeta Kapoor, Babette Tenzer, and Margaret Comes, Deputy Attorneys General on behalf of the Staff of the Board of Public Utilities.

Seema Singh, Ratepayer Advocate, Christopher J. White, Esq., Ava-Marie Madeam, on behalf of the Division of the Ratepayer Advocate.

Schenck, Price, Smith & King, LLP by Sidney A. Sayovitz, Esq.; Mintz, Levin, Cohn, Ferris, Glovsky and Popeo by Christopher Harvie, Esq., attorneys for Cablevision of Newark, Cablevision of Warwick, Inc. (West Milford), Cablevision of Rockland/Ramapo, LLC (Montvale), CSC TKR, Inc. d/b/a Cablevision of Elizabeth, Cablevision of Rockland/Ramapo, LLC (Mahwah), CSC TKR, Inc. d/b/a Cablevision of Hamilton, CSC TKR, Inc. d/b/a Cablevision of Raritan Valley, CSC TKR, Inc. d/b/a Cablevision of Morris, Cablevision of New Jersey, Inc. (Bergen), Cablevision of New Jersey, Inc. (Bayonne), Cablevision of Hudson County, Inc., Cablevision of Monmouth, Inc., Cablevision of Oakland, Inc., and Cablevision of Paterson, Inc. (each a "New Jersey System" and collectively "Cablevision").

INTRODUCTION

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. § 543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulable categories: (i) "basic service" (consisting primarily of "off-the-air" and public, educational and governmental channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of certain other packages of television channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "local franchising authority," and, until March 31, 1999, CPS was regulated by the Federal Communications Commission ("FCC") upon the filing of a complaint from the local franchising authority to the FCC with regard to a CPS tier rate; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board of Public Utilities ("BPU" or "Board"); and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under FCC rules, 47 C.F.R. § 76.900 et. seq., a cable operator may adjust its basic service tier rates under the annual rate adjustment system pursuant to the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing with the

franchising authority a FCC Form 1240, which computes the maximum permitted rate ("MPR" or "permissible benchmark Basic rate") for the regulated basic service tier; and

WHEREAS, under FCC rules, 47 C.F.R. § 76.900 et. seq., a cable operator may adjust its equipment and installation charges annually by filing with the local franchising authority a FCC Form 1205; and

WHEREAS, under FCC rules, benchmark-regulated cable operators that make capital investments and incur increases in operating expenditures due to significant cable network upgrades may recover those increased costs from subscribers as a monthly add-on rate to the Basic and CPS tier rates established under the benchmark approach; and

WHEREAS, cable operators that seek to recover from subscribers the costs associated with significant network upgrades are permitted by FCC rules to file Form 1235, an abbreviated cost of service filing, which is designed to measure and allocate the costs of the capital upgrade, and compute the maximum-permitted monthly network upgrade add-on rate that may be assessed on Basic service subscribers; and

WHEREAS, as of November 1, 2003, Cablevision had completed significant cable television network upgrades in all of its New Jersey systems (with the exception of Paterson and Bayonne) that meet or exceed the FCC's Form 1235 eligibility criteria by upgrading network bandwidth capacity to 750 MHz, deploying fiber distribution and transmission lines to the node, and serving, on average, 500 homes per node; and

WHEREAS, the basic service tier ("BST") rate adjustments implemented by Cablevision in its New Jersey systems on February 1, 2004, except in the Monmouth-Freehold rate district and the Raritan Valley system, reflect the aggregate MPR permitted by the combined effect of the Form 1240 MPR in each system and the Form 1235 MPR surcharge in each system; and

WHEREAS, the equipment and installation rates implemented by Cablevision in its New Jersey systems on February 1, 2004 (as well as the select installation rates further adjusted on June 1, 2004) are based upon the Form 1205 submitted by the company to the Board on November 1, 2003; and

WHEREAS, Board Staff, the Ratepayer Advocate and Cablevision (collectively "the Parties") agree that it would be in the public interest to resolve all of Cablevision's pending rate regulation filings in a single global settlement;

NOW THEREFORE, the Parties hereby agree to adopt the multi-part global stipulation set forth below in order to resolve all of Cablevision's pending Form 1205, Form 1235, and Form 1240 filings.

PART I – FORM 1235 FILINGS

CSC TKR, Inc. d/b/a Cablevision of Raritan Valley
CSC TKR, Inc. d/b/a Cablevision of Morris
CSC TKR, Inc. d/b/a Cablevision of Elizabeth
CSC TKR, Inc. d/b/a Cablevision of Hamilton
Cablevision of Rockland/Ramapo, LLC (Montvale)
Cablevision of Rockland/Ramapo, LLC (Mahwah)
Cablevision of Paterson, LLC
Cablevision of Oakland, LLC
Cablevision of Monmouth, Inc.
Cablevision of Newark
Cablevision of Warwick, LLC (West Milford)
Cablevision of New Jersey, Inc. (Bayonne)

WHEREAS, on July 31, 2003, Cablevision submitted to the BPU separate Form 1235 filings, along with supporting documentation and schedules, for each of the systems listed above ("Cablevision Form 1235 Filings"), seeking approval of monthly network upgrade add-on rates to the BST rates charged by those systems; and

WHEREAS, Cablevision's Form 1235 rate filing for its Raritan Valley system sought approval of a \$1.87 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Morris system sought approval of a \$2.76 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Elizabeth system sought approval of a \$1.61 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Hamilton system sought approval of a \$4.05 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for Cablevision of Rockland-Ramapo (Montvale) sought approval of a \$2.90 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for Cablevision of Rockland-Ramapo (Mahwah) sought approval of a \$3.42 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's preliminary Form 1235 rate filing for its Paterson system sought approval of a \$2.76 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Oakland system sought approval of a \$3.06 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Monmouth system sought approval of a \$3.29 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for its Newark system sought approval of a \$2.58 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's Form 1235 rate filing for Cablevision of Warwick (West Milford) sought approval of a \$5.63 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's preliminary Form 1235 rate filing for its Bayonne system sought approval of a \$0.82 monthly network upgrade BST add-on to its permissible benchmark Basic rate pending completion of the rebuild; and

WHEREAS, ten of the twelve Cablevision Form 1235 Filings were submitted using actual cost data from the rebuilds; and

WHEREAS, the Form 1235 filings submitted by Cablevision's Paterson and Bayonne systems were filed on a pre-approval basis, which pursuant to FCC rules, allows Cablevision to "phase-in" monthly network upgrade add-on surcharges (that are based upon estimated total rebuild costs) as the upgrade is being completed in various sub-sections of the systems being rebuilt, subject to a true-up submitted upon completion of the rebuild; and

WHEREAS, in accordance with FCC rules, on February 1, 2004, Cablevision implemented new BST rates in each of the systems which, except for the Cablevision of Monmouth - Freehold rate district and the Raritan Valley system, included a portion of the Form 1235 network upgrade BST add-on amount for which approval was sought; and

WHEREAS, on February 5, 2004, pursuant to N.J.A.C. 1:1-13.1, a pre-hearing conference was held in this matter before Michael Mehr, Administrative Law Judge; and

WHEREAS, Board Staff and the Ratepayer Advocate conducted extensive discovery concerning each of the Cablevision Form 1235 Filings, to which Cablevision responded; and

WHEREAS, evidentiary hearings regarding such Form 1235 filings were held on March 17, 18, 22, 23 and 24, April 21 and 22, and June 3 before Administrative Law Judge Mehr; and

WHEREAS, Board Staff, the Ratepayer Advocate and Cablevision have engaged in discussions of this matter;

NOW, THEREFORE, the Parties hereby **STIPULATE** and agree to the following for consideration by the Board:

1. For the rate year beginning February 1, 2004 through January 31, 2005, the Form 1235 monthly network upgrade add-on rates for the Basic tier implemented by Cablevision on February 1, 2004 and delineated on Schedule 1 as the 2004 Form 1235 operator selected rate (OSR) shall apply.
2. For the rate year beginning on February 1, 2005, and for no more than eleven years following that date ("Recovery Period"), the maximum-permitted Form 1235 monthly network upgrade add-on rate for the Basic tier in Cablevision's New Jersey systems shall be the Form 1235 Settlement Rates specified in Schedule 1, with the exception of the Bergen and Hudson systems where, for the purposes of this agreement, the recovery period began on February 1, 2000 in the Bergen system and February 1, 2001 in the Hudson system, and shall continue for a period of twelve years from said dates.
3. Each system which submitted a Cablevision Form 1235 Filing shall file an initial report with the Board on March 1, 2005, and annually thereafter, with a copy to the Ratepayer Advocate until the completion of the Recovery Period (so long as such system's BST rates continue to be subject to rate regulation under applicable law.) Such report shall also include the number of BST subscribers so assessed, the total amount of the add-on rate assessed for the period and to date. The initial report will also include (a) any and all add-on amounts assessed prior to the date the Board approved this stipulation, and (b) documentation supporting those calculations. In the event any system is no longer subject to BST rate regulation under the applicable law, no 1235 add-on shall be deemed to be included in such system's rate.
4. The provisions of Part I, paragraph 3, shall also apply to Cablevision's Bergen and Hudson systems. Cablevision previously has entered into a stipulation with Board Staff and the Ratepayer Advocate regarding

the maximum-permitted Form 1235 monthly network upgrade BST add-on rate for the Bergen and Hudson systems. The Bergen and Hudson Form 1235 Settlement Rates are included on Schedule 1.

5. The Parties agree that the Form 1235 rate filing for Cablevision's Monmouth systems that was submitted on August 29, 1997, and amended on January 22, 1998 in docket number CR97090626, shall be withdrawn. Within 5 days of adoption by the Board of this stipulation, Cablevision shall submit a letter to the Secretary of the Board, with copies to Board Staff and the Ratepayer Advocate, withdrawing this filing.
6. All tariffs filed with the Board's Office of Cable Television and served on customers shall contain a notation indicating the amount of the upgrade add-on rate that is included in the BST rate for the term of the upgrade recovery.
7. Cablevision or its successors shall disclose on an annual basis as part of its annual notice to its subscribers, the monthly amount of the add-on applicable to its BST rate.
8. This Stipulation of Settlement resolves all issues raised by Cablevision's Form 1235 filings in BPU docket numbers CR03080602 through CR03080613.
9. Cablevision shall file a final form 1235 for the Paterson system within thirty (30) days of the adoption of this agreement by the Board. Should the final 1235 BST add-on rate be less than the Settlement Rate as listed on Schedule 1, the lower rate shall apply.
10. Cablevision shall file a final form 1235 for the Bayonne system within ninety (90) days of completion of the rebuild. Should the final 1235 BST add-on rate be less than the Settlement Rate as listed on Schedule 1, the lower rate shall apply.

PART II – FORM 1240 BASIC SERVICE RATE FILINGS

Cablevision of Monmouth (Freehold)
Cablevision of Monmouth (Jackson)
Cablevision of Monmouth (Lakewood)
Cablevision of Monmouth (Millstone)
Cablevision of Monmouth (Seaside)
Cablevision of Monmouth (Wall)
Cablevision of Rockland-Ramapo (Montvale)
Cablevision of Oakland

WHEREAS, on November 1, 2003, pursuant to 47 U.S.C. 543 et seq. and N.J.S.A. 48:5A-1 et seq., the above-captioned Cablevision entities filed FCC Forms 1240 with the Board for the rate districts listed in Schedule 4, (Rate Districts) serving subscribers within the municipalities indicated therein, seeking approval for rate changes detailed in Schedule 2, for the rate cycle of February 1, 2004 to January 31, 2005. ("2004 Form 1240 Rate Filings"); and

WHEREAS, on December 3 and 12, 2003, the above rate filings were transmitted to the Office of Administrative Law ("OAL") for initial disposition; and

WHEREAS, on February 5, 2004, pursuant to N.J.A.C. 1:1-13.1, a pre-hearing conference was held in this matter before Michael Mehr, Administrative Law Judge; and

WHEREAS, Board Staff and the Ratepayer Advocate submitted discovery concerning the Form 1205 and Form 1240 filings, to which Cablevision responded; and

WHEREAS, Board Staff, the Ratepayer Advocate and Cablevision have engaged in settlement discussions and in advance of scheduled evidentiary hearings, have reached agreement on the disposition of this matter;

NOW, THEREFORE, the Parties hereby STIPULATE and agree to the following for consideration by the Board:

1. The effective date of the MPRs and Operator Selected Rates (OSRs) agreed upon herein for the BST rate changes under BPU Docket Nos. CR03100850, CR03100851, CR03100852, CR03100853, CR03100854, CR03100855, CR03100859, and CR03100862 is February 1, 2004.
2. The rate cycle established in the Rate Districts is February 1, 2004 to January 31, 2005.
3. As a result of the compromises reached as part of this agreement, there will be no changes to the BST MPR adjustments sought in the 2004 Form 1240 Rate Filings, which are set forth in Schedule 2, and are exclusive of franchise, FCC regulatory and State assessment fees (the "Stipulated MPRs"). The Stipulated MPRs shall remain in effect at least until January 31, 2005.
4. This stipulation of settlement resolves all issues raised by Cablevision's 2004 Form 1240 Rate Filings in BPU Docket Nos. CR03100850, CR03100851, CR03100852, CR03100853, CR03100854, CR03100855, CR03100859, and CR03100862.

PART III – AGGREGATE FORM 1205 FILING
Cablevision of New Jersey (All Systems)

WHEREAS, under FCC rules, 47 C.F.R. § 76.900 et seq., cable operators are permitted to adjust their rates annually for changes in costs related to equipment and installations by filing with the franchising authority a FCC Form 1205, which computes the maximum permitted rate (MPR) for regulated tiers of service; and

WHEREAS, on November 1, 2003, Cablevision filed an aggregate FCC Form 1205 with the Board on behalf of its Newark, Bayonne, Bergen, Hudson, Monmouth, Oakland, Paterson, Warwick, Raritan Valley, Morris, Rockland, Ramapo, Elizabeth and Hamilton systems requesting approval of changes in the regulated equipment and installation rates charged by that system, BPU Docket No. CR03100868,

NOW, THEREFORE, the Parties hereby STIPULATE and agree to the following for consideration by the Board:

1. This Stipulation of Settlement resolves all issues raised by Cablevision's Form 1205 filing for its New Jersey Systems in BPU Docket No. CR03100868.
2. For each New Jersey System, the regulated equipment and installation rates listed as "Settlement Rates" on Schedule 3 shall apply for each such system ("Form 1205 Settlement Rates") and shall remain in effect until January 31, 2005.
3. There will be no adjustment to the converter and remote rates currently being charged. Certain one-time installation rates will be lowered to the revised rates listed in Schedule 3 by Cablevision on or around November 1, 2004, and will remain in effect at least through January 31, 2005. Cablevision will issue refunds, plus interest, using the IRS rates for over- and underpayments utilized by the FCC, compounded daily through the date of distribution, dating back to February 1, 2004 through the actual date of the rate change, to customers charged a one-time installation rate greater than the revised rates listed in Schedule 3. Said refund shall be denominated "BPU Refund" and shall be distributed among all such current subscribers as soon as reasonably practicable but not later than sixty (60) days after BPU adoption of this stipulation.

PART IV - General

The signatories agree that, except as otherwise expressly provided herein, this stipulation has been made exclusively for the purpose of this proceeding and that the agreements contained herein, in total or by specific items, are in no way binding upon the parties in this proceeding if this stipulation is not approved by the BPU, in other proceedings before the Board, or in other forums or jurisdictions, and should not be construed as a waiver of any rights under law held by any party; nor are the contents of

this stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings. All signatories acknowledge that the terms of this stipulation shall not be deemed to be effective until approved in its entirety by the BPU.

This stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any material term been modified in any way. Each signatory party has the right to be placed in the position it was in before entering into the stipulation. Therefore, if any modification is made by any of the parties, the BPU, any government agency, or court of competent jurisdiction to any of the terms of this Stipulation, each party has the option, before the implementation of any new rate resulting from such change, either to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this stipulation. This being the case, all parties expressly agree to support the right of any other party to this stipulation to enforce all terms and procedures detailed herein.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

By: Brian O. Lipman
Brian Lipman, Esq.
Deputy Attorney General

DATE: 10-6-04

and

Babette Tenzer
Babette Tenzer, Esq.
Deputy Attorney General

10-6-04

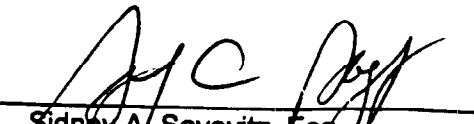
SEEMA SINGH, DIRECTOR
DIVISION OF THE RATEPAYER ADVOCATE

By: Christopher White
Christopher White, Esq.
Deputy Ratepayer Advocate

DATE: 10-6-04

CABLEVISION

By:


Sidney A. Sayovitz, Esq.
Counsel for Cablevision

DATE:

October 5, 2004

SCHEDULE 1

	Regulated Form 1235 MPR	2004 Form 1235 Operator Selected Rate	Settlement Rate	Reducti From MPR
Cablevision of Monmouth, Inc. - Freehold	\$ 3.29	\$ -	\$ 1.97	\$1.32
Cablevision of Monmouth, Inc. - Jackson	\$ 3.29	\$ 0.54	\$ 1.97	\$1.32
Cablevision of Monmouth, Inc. - Lakewood	\$ 3.29	\$ 1.28	\$ 1.97	\$1.32
Cablevision of Monmouth, Inc. - Millstone	\$ 3.29	\$ 1.55	\$ 1.97	\$1.32
Cablevision of Monmouth, Inc. - Wall	\$ 3.29	\$ 0.84	\$ 1.97	\$1.32
Cablevision of Monmouth, Inc. - Seaside	\$ 3.29	\$ 0.74	\$ 1.97	\$1.32
CSC TKR, Inc. d/b/a Cablevision of Hamilton	\$ 4.05	\$ 1.61	\$ 1.99	\$2.06
CSC TKR, Inc. d/b/a Cablevision of Raritan Valley	\$ 1.87	\$ -	\$ 1.12	\$0.75
Cablevision of New Jersey, Inc. (Bayonne)	\$ 0.82	\$ 0.37	\$ 0.49	\$0.33
Cablevision of Newark	\$ 2.58	\$ 1.08	\$ 1.55	\$1.03
CSC TKR, Inc. d/b/a Cablevision of Elizabeth	\$ 1.61	\$ 0.41	\$ 0.97	\$0.64
CSC TKR, Inc. d/b/a Cablevision of Morris	\$ 2.76	\$ 1.18	\$ 1.68	\$1.10
Cablevision of Oakland, LLC	\$ 3.06	\$ 1.42	\$ 1.84	\$1.22
Cablevision of Paterson, LLC	\$ 2.76	\$ 1.38	\$ 1.68	\$1.10
Cablevision of Rockland/Ramapo, LLC (Mahwah)	\$ 3.42	\$ 1.29	\$ 1.99	\$1.43
Cablevision of Rockland/Ramapo, LLC (Montvale)	\$ 2.90	\$ 1.30	\$ -	\$2.90
Cablevision of Warwick, LLC (West Milford)	\$ 5.63	\$ 1.99	\$ 2.25	\$3.38
Cablevision of Hudson County, Inc.*	\$ 2.46	\$ 0.89	\$ 1.85	\$0.61
Cablevision of New Jersey, Inc. - Bergen*	\$ 1.81	\$ 0.56	\$ 1.25	\$0.56

- Settlement rates adopted in previous stipulation entered into between parties

SCHEDULE 2

Basic Service Tier Stipulation MPR Rates*

BST Filing System	Prior MPRs / Prior Stipulated MPR Rates	Proposed MPRs	\$ Incr. Prior to Proposed MPR	% Incr. Prior to Proposed MPR	2/1/04 OSR/Tariff Rates	Stipulated MPR Rates
Cablevision of Monmouth - Freehold	\$12.97	\$14.55	\$1.58	12.2%	\$14.05	\$14.55
Cablevision of Monmouth - Jackson	\$12.30	\$13.51	\$1.21	9.8%	\$13.51	\$13.51
Cablevision of Monmouth - Lakewood	\$11.78	\$12.77	\$0.99	8.4%	\$12.77	\$12.77
Cablevision of Monmouth - Millstone	\$9.99	\$10.76	\$0.77	7.7%	\$10.76	\$10.76
Cablevision of Monmouth - Seaside	\$11.45	\$12.26	\$0.81	7.1%	\$12.26	\$12.26
Cablevision of Monmouth - Wall	\$9.77	\$10.46	\$0.69	7.1%	\$10.46	\$10.46
Cablevision of Rockland/Ramapo, LLC Montvale	\$13.10	\$12.75	(\$0.35)	-2.7%	\$12.75	\$12.75
Cablevision of Oakland	\$9.78	\$9.88	\$0.10	1.0%	\$9.88	\$9.88

* All rates on this schedule are exclusive of franchise fees and FCC regulatory fees.

**SCHEDULE 3
CABLEVISION OF NEW JERSEY
FORM 1205 EQUIPMENT AND INSTALLATION RATES
CR03100868**

	PRIOR BOARD APPROVED RATES	2/1/04- 5/31/04 RATES	6/1/04- CURRENT RATES	SETTLEMENT RATES EFFECTIVE 2/1/04	SETTLEMENT RATE ADJUSTMENT 2/1/04-5/31/04	SETTLEMENT RATE ADJUSTMENT 6/1/04-12/31/04
CABLE BOXES AND EQUIPMENT						
STANDARD BOX (NON-ADDRESSABLE)	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0
ADDRESSABLE CABLE BOX (ANALOG)	\$2.95	\$4.07	\$4.07	\$4.07	\$0	\$0
DIGITAL CONVERTERS (ALL TYPES)	\$2.95	\$4.07	\$4.07	\$4.07	\$0	\$0
REMOTE CONTROL (ALL TYPES)	\$0.29	\$0.27	\$0.27	\$0.27	\$0	\$0
ONE-TIME CHARGES						
HOURLY SERVICE CHARGE	\$42.65	\$43.90	\$42.95	\$42.95	\$0	\$0
RECONNECT / UNWIRED (ONE OUTLET)	\$46.95	\$49.95	\$36.95	\$36.95	\$0	\$0
RECONNECT / INSTALLATION OF PRE-WIRED HOMES (ONE OUTLET)	\$41.25	\$37.35	\$36.95	\$36.95	\$0	\$0
INSTALLATION OF ADDITIONAL CONNECTIONS AT TIME OF INSTALL	\$27.00	\$17.35	\$16.95	\$16.95	\$0	\$0
INSTALLATION OF ADDITIONAL CONNECTIONS REQUIRING SEPARATE INSTALL	\$43.45	\$52.60	\$52.50	\$47.80	(\$4.80)	(\$4.70)
RELOCATE OUTLET	\$35.31	\$53.50	\$52.50	\$38.85	(\$14.65)	(\$13.65)
UPGRADE OF OPTIONAL SERVICES OR DMX OR CLOSED CAPTION OR PARENTAL LOCK OR IR REMOTE SWITCH INSTALLATION, HOUSE AMP, SATELLITE DISH, CR, LATERAL CHANGE OR VIDEO GAME	\$25.50	\$39.85	\$38.95	\$28.05	(\$11.80)	(\$10.90)
ADDITIONAL UPGRADE	\$25.50	\$29.95	\$34.95	\$28.05	(\$6.90)	(\$1.90)

LOWNGRADE	\$15.00	\$39.85	\$38.95	\$15.00	(\$24.85)	(\$23.95)
ADDRESSABLE TIER CHANGE	\$1.99	\$1.99	\$1.99	\$1.99	\$0	\$0
SERVICE CALL / PICK UP OR DROP OFF CONVERTER / UNNECESSARY TRIP CHARGE (NON-PERSON NON-PAY COLLECTION)	\$34.71	\$40.50	\$40.50	\$40.50	\$0	\$0

I/M/O Cablevision of New Jersey
(Bergen), Cablevision of
Hudson County

NE
BPU Docket Nos. CR97090624
CR97090625,

FCC Form 1235 Filings

STIPULATION

Appearances:

John J. Farmer, Jr., Attorney General of New Jersey, Caroline Vachier, Deputy Attorney General (appearing) on behalf of the Staff of the Board of Public Utilities

Blossom A. Peretz, Esq., Ratepayer Advocate, Lawanda R. Gilbert, Esq., Assistant Deputy Ratepayer Advocate (appearing) on behalf of the Division of the Ratepayer Advocate

Lynn A. Lurie and Christopher Harvie, attorneys for Cablevision of Hudson County and Cablevision of New Jersey (Bergen), (collectively referred to herein as "Cablevision")

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. §543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulatable categories: (i) "basic service" (consisting primarily of "off-the-air" channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other television channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "local franchising authority," and, until March 31, 1999, CPS was regulated by the Federal Communications Commission ("FCC") upon the filing of a complaint from the local franchising authority to the FCC with regard to a CPS tier rate; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board of Public Utilities ("BPU"); and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under FCC rules, 47 C.F.R. § 76.900 et. seq., a cable operator may adjust its basic service tier rates under the annual rate adjustment system pursuant to the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing with the franchising authority an FCC Form 1240, which computes the maximum permissible rate (MPR) for regulated tiers of service; and

WHEREAS, under FCC rules, benchmark-regulated cable operators that make capital investments and incur increases in operating expenditures due to significant cable network upgrades may recover those increased costs from subscribers as a monthly add-on rate to the Basic and CPS tier rates established under the benchmark approach; and

WHEREAS, cable operators that seek to recover from subscribers the costs associated with significant network upgrades are permitted by FCC rules to file Form 1235, an abbreviated cost of service filing, which is designed to measure and allocate the costs of the capital upgrade, and compute the maximum-permitted monthly network upgrade add-on rate that may be assessed on Basic and/or CPS subscribers; and

WHEREAS, Cablevision recently completed significant cable television network upgrades in its Hudson and Bergen systems that meet or exceed the FCC's Form 1235 eligibility criteria by upgrading network bandwidth capacity to 750 MHz, deploying fiber distribution and transmission lines to the node, and serving, on average, 500 homes per node; and

WHEREAS, on August 29, 1997, Cablevision submitted to the BPU on a pre-approval basis separate Form 1235 filings, along with supporting documentation and schedules, for its Hudson and Bergen systems (amended and replaced on January 22, 1998),

seeking approval of monthly network upgrade add-on rates to the BST rates charged by those systems; and

WHEREAS, under FCC rules, the pre-approval Form 1235 filings submitted by the Hudson and Bergen systems would allow Cablevision to "phase-in" monthly network upgrade add-on surcharges (that are based upon estimated total rebuild costs) as the upgrade is being completed in various sub-sections of the systems being rebuilt, subject to a true-up submitted upon completion of the rebuild; and

WHEREAS, Board Staff and the Ratepayer Advocate submitted two rounds of discovery concerning the amended Form 1235 pre-approval filings submitted for the Hudson and Bergen systems, to which Cablevision responded; and

WHEREAS, under FCC rules, Cablevision could (upon providing 30 days advance notice to subscribers) have begun charging a monthly network upgrade BST add-on amount to any BST subscriber receiving upgraded service 6 months after the August 29, 1997 submission of its initial Form 1235 filings, subject to potential refund liability should the company implement a BST add-on rate that is determined to exceed the amount permitted under the FCC's rules; and

WHEREAS, Cablevision, has not yet implemented a monthly network upgrade BST add-on rate in either its Hudson or Bergen systems; and

WHEREAS, Cablevision submitted trued-up Form 1235 filings, along with supporting documentation and schedules, for the Hudson system on December 22, 1998 and for the Bergen system on January 21, 1999 that computed upgrade surcharges based on the actual rebuild capital costs; and

WHEREAS, both OCTV and Ratepayer Advocate submitted additional discovery concerning the trued-up filings, to which Cablevision responded; and

WHEREAS, Cablevision's trued-up Form 1235 rate filing for its Bergen system sought approval of a \$ 1.81 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Cablevision's trued-up Form 1235 rate filing for its Hudson system sought approval of a \$ 2.46 monthly network upgrade BST add-on to its permissible benchmark Basic rate; and

WHEREAS, Board Staff, the Ratepayer Advocate and Cablevision have engaged in discussions of this matter; and

NOW, THEREFORE, Board Staff, the Ratepayer Advocate, and Cablevision hereby **STIPULATE AS FOLLOWS:**

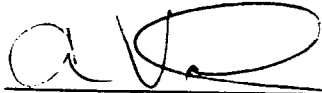
1. The maximum-permitted Form 1235 monthly network upgrade add-on rate for the Bergen system Basic tier shall be \$1.25; said add-on rate shall not be charged to BST subscribers served by the Bergen system until at least February 1, 2000.
2. The maximum-permitted 1235 monthly network upgrade add-on rate for the Hudson system Basic tier shall be \$1.85; said add-on rate shall not be charged to BST subscribers served by the Hudson system until at least February 1, 2001.
3. This Stipulation of Settlement resolves all issues raised by Cablevision's Form 1235 filings for the Bergen and Hudson systems in BPU docket numbers CR97090624, and CR97090625.
4. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the stipulations contained herein, in total or by specific items, are in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings. All signatories acknowledge that the terms of this Stipulation of Settlement shall not be deemed to be effective until approved by the BPU.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. If any modification is made to the terms of this Stipulation, each signatory party must be given the right to be placed in the position it was in before the stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

JOHN J. FARMER, JR., ATTORNEY
GENERAL OF NEW JERSEY
Attorney for the Staff
of the Board of Public
Utilities

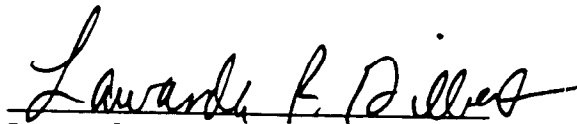
By:



Caroline Vachier
Deputy Attorney General
DATE: 2/29/00

BLOSSOM A. PERETZ
DIRECTOR, DIVISION OF The
RATEPAYER ADVOCATE

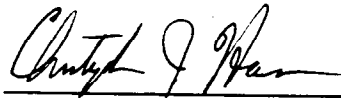
By:



Lawanda R. Gilbert, Esq.
Assistant Deputy Ratepayer Advocate
DATE: 2/18/00

CABLEVISION OF NEW JERSEY (BERGEN)
CABLEVISION OF HUDSON COUNTY

By:



Christopher J. Harvie, Esq.
DATE: 2-15-00

DCDOCS:155212.1(3BRG01!.DOC)
02/15/00 4:53 PM